Governance of New Global Partnerships
Challenges, Weaknesses, and Lessons

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Abstract

This policy paper examines the performance and effectiveness of the governance of the new generation of international development organizations that have been established over the past two decades and that are variously called global programs, global partnerships, or multi-stakeholder partnerships. The evidence, derived principally from independent evaluations of these organizations, reveals a consistent picture that does not accord adequately with accepted standards, principles, and practices of good governance. Among the frequent governance shortcomings identified by the independent evaluations are: (i) weakness or absence in strategic direction, accountability mechanisms, monitoring and evaluation systems, and management of risk; (ii) lack of clarity on the roles and responsibilities of trustees or host organizations; (iii) confusion between the roles of management versus governance; and (iv) inadequate attention to resource mobilization and to the human resources required to deliver programs and achieve objectives. The paper concludes with recommendations to help avoid or redress these weaknesses.

Center for Global Development

CGD Policy Paper 014
October 2012

Contents

Foreword

International development cooperation comes in many different forms and new partnerships – like the Global Fund, the Global Partnership for Education, CGIAR and CGAP – have gained prominence relative to more traditional bilateral aid agencies and development banks. Such partnerships seem to emerge when pressures to take action on a particular issue exceed the speed and capacity of traditional institutions to respond. Yet, the same imperatives of governance and accountability that constrain the responsiveness of traditional organizations still need to be addressed by these new initiatives. The resulting experimentation has generated many experiences with governance – some better than others.

Since its inception, work at the Center for Global Development has recognized that governance is critical to the performance of international organizations. The Center's work on leadership transitions – beginning at the World Bank in 2006 and including the regional development banks, UNAIDS and UNFPA – goes beyond recommendations for a new chief executive. These reports also consider the roles and responsibilities of members and governing boards, often providing critiques of governance arrangements such as the process of electing chief executives, voting rules, and accountability. The Center has paid attention to the proliferation of new global partnerships by analyzing them and monitoring their performance. For example, the Center's "HIV/AIDS Monitor" assessed the rapid expansion of foreign aid channeled through the U.S. government's President's Emergency Plan for AIDS Relief , the Global Fund for AIDS, Tuberculosis and Malaria, and the World Bank's Multi-Country AIDS Program.

The Center has also provided space for deeper reflection about the political-economy of aid institutions. Nancy Birdsall explained "Why it Matters Who Runs the IMF and the World Bank" in a 2003 working paper. In subsequent CGD publications, Severino and Ray described "The Birth of Hypercollective Action," Rueda-Sabater, Ramachandran, and Kraft took "A Fresh Look at Global Governance," Kemal Dervis proposed A Better Gobalization, and I contributed an essay on "Global Government, Mixed Coalitions, and the Future of International Cooperation." These CGD publications are among a growing body of work analyzing the governance of international initiatives, their mechanisms, trends, and political-economy.

This policy paper, by Keith Bezanson and Paul Isenman, contributes both conceptually and empirically to this literature on the relationship between aid effectiveness, development and governance of international institutions. Relying on their extensive experience in international organizations and drawing on a systematic review of evaluations, Bezanson and Isenman cast a critical eye on 11 relatively new global partnerships. They show a number of similarities, particularly in their attempts to create governance structures that are more diverse and inclusive than traditional organizations. They uncover patterns related to the tensions between financial contributors, grant recipients, researchers, advocates, and other interested parties. The review explicates a number of problems that have emerged related to organizational accountability; relationships between boards and management; and inadequate

resources for secratariats. They show how these new organizations are essentially "works in progress" trying to solve old problems in new ways.

Bezanson and Isenman recognize important contributions made by these new global partnerships while providing a cogent summary of their institutional problems. One of their recommendations – that these partnerships should pay attention to lessons learned by their "predecessors"– only highlights how much the new organizations are trying to solve problems already confronted by the old. In doing so, the paper ultimately shows how we can learn from the past to establish better governance arrangements and achieve more effective aid in the future.

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A New and Distinctive Model of Collective Action

Over the past two decades there has been an explosive growth in collective action for international development, much of which has been based on establishing new global partnership organizations. The mandates of the vast majority of these address a specific challenge or issue (e.g. vaccinations, major infectious diseases, primary education). Because of this, they are generally referred to as vertical organizations or vertical funds. The reasons given to explain their growth include recognition that the scale and complexity of major global challenges cannot be addressed successfully by single actors, decline in confidence in established aid structures and business models, the rapid spread of new technologies, and increasingly well-organised and effective advocacy on specific issues by NGOs. Often created in response to high-visibility, single-issue advocacy campaigns, they have an undeniable political appeal in donor countries.

These new organizations are typically described as 'multi-stakeholder, global partnerships'. One study[1] describes them as "hyper-collective" partnerships to underscore that they differ fundamentally from previous approaches to international collective action, which were mostly inter-governmental rather than multi-stakeholder. Taken as a whole, they have proved very effective at mobilizing resources, and now account for a significant and rising percentage of Official Development Assistance (ODA). Many observers consider them the most efficient means of directing resources towards high priority problems, and several have been accorded high praise in international fora such as the G8 and G20. But there is also no shortage of criticism, including concerns that they distort country priorities, circumvent country leadership, draw scarce resources away from sector-wide reforms and that, because they proliferate channels of aid, they are not conducive to aid effectiveness. A recent assessment, for example, claimed that they have "led to unnecessary duplication and overlap with each other and with country assistance programs, along with gaps, confusion, and waste, raising anew the perennial aid effectiveness issues of priorities, ownership, consistency of goals, and accountability for results".[2]

Whatever one's view of them, these organizations represent a new and distinct model of collective action. This is due in part to their single issue nature, but single purpose organizations are not entirely new in international development. What really distinguishes them from the multilateral, collective action model of the second half of the 20th century is the nature and *modus operandi* of their partnerships, processes and governance. These are based on notions of stakeholders (almost all interested or affected parties) as opposed to shareholders (principally funders). Compared to earlier partnerships, these organisations are

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[1] Severino, Jean-Michel and O. Ray, "The End of ODA (II): The Birth of Hyper-Collective Action", Center for Global Development, Working Paper 218, June 2010

[2] Lele, Uma, N. Sadik and A. Simmons (2007) "The Changing Aid Architecture: Can Global Initiatives Eradicate Poverty?", http://www.oecd.org/dataoecd/60/54/37034781.pdf

far more heterogeneous. Their guiding frameworks depend far less on legislated international regimes and far more on sequential discourse, networks and adaptive and flexible decision-making. Decision-making authority is far more distributed and diluted. The need to balance the interests and perspectives of highly diverse constituencies (governments, civil society, philanthropists, foundations, private sector) necessitates governance that is more complex and nuanced than that of traditional collective action organizations. In particular, the effectiveness of their governance depends much more on 'soft power' whose defining characteristics are attraction as opposed to force, persuasion instead of regulation, convincing rather than requiring others to follow and the power of complex information systems as opposed to rules-based systems

These new organizations represent, therefore, a major change in the management of global challenges – one in which the rules change as the number and heterogeneity of players increase. And, because of this, these organisations remain very much works in progress.

Definitions and Methodology

There is no single, accepted definition of governance or of 'good' governance. Both terms are applied at international, national, local and corporate or other sectors of society and there are a myriad of different definitions. Definitions of governance include: the processes by which governments are chosen, monitored, and changed; the systems of interaction between the administration, the legislature, and the judiciary; the ability of government to create and to implement public policy; the manner in which power is exercised in the management of a country's economic and social resources for development; the mechanisms by which citizens and groups define their interests and interact with institutions of authority and with each other; and the rules, processes, or laws by which businesses are operated, regulated, and controlled. This definitional confusion is increased by the notion of 'good' governance, which has been clouded by debates deriving from a slew of slightly differing definitions and understanding of what is actually meant by the term.[3] This review focusses exclusively on the strategic and fiduciary oversight of the boards of new, multi-stakeholder partnership institutions. It does so in terms of generally accepted good practices for the stewardship of institutions[4] by their appointed boards, which include, but are not limited to, those summarized in the following box.

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[3] For a discussion of the definitional confusion on governance and good governance see Thomas G. Weiss, Governance, good governance and global governance: conceptual and actual challenges, Third World Quarterly, Vol 21, No 5, pp 795–814, 2000

[4] See, for example, 'Guidelines on Corporate Governance' of the National Association of Corporate Directors, (NACD), available at www.nacdonline.org. The NACD guidelines are presented as a framework of good practices for public, private and not for profit institutions, but with the clear proviso that 'one size does not fit all'.

Box: Examples of Main Strategic and Fiduciary Responsibilities and Requirements for the Governing Boards of Institutions

Structure and Composition – Ensuring that Board size is conducive to efficient and effective decision-making and that its membership reflects the mix of skills, abilities, experiences and competencies required to meet the needs of the organization.
Strategy and Plan – Ensuring that the organization has a clear direction, knows where it is trying to go, has set reasonable goals, objectives and targets and has aligned these to the appropriate means for their attainment, including the required human and financial resources and the internal incentive system.
Roles and Responsibilities – Ensuring that the principal roles and responsibilities of directors are stipulated and communicated, including the effective delegation of authorities and clear differentiation of the respective roles of management and board members.
Performance Oversight and Assessment – Ensuring that the organization has in place information systems that track performance against established objectives and that timely reviews are conducted and adjustments/adaptations made as required.
Financial Oversight and Management – Ensuring that the organization is well managed financially, that its accounting systems are designed and applied with professionalism and that there is independent audit and certification of accounts.
Risks and Opportunities Oversight – Ensuring that corporate and other risk assessments are regularly conducted and that risks are monitored and opportunities for risk mitigation are pursued.
Communications – Ensuring that the organization and its management have in place the means to communicate effectively the organization's key messages and that this is applied with consistency.
Succession Planning – Ensuring that there are succession plans for board membership and for the Chief Executive
Legal and Ethical Conduct – Ensuring that there are written conflict of interest and code of ethics policies and codified governance guidelines for boards and their committees.

With only slight variations, the structuring of the governing bodies of hyper-collective partnerships has tended to apply the same template of diversity and inclusiveness: very large bodies of over 20 members, rising often to 40 and even more. They are comprised of different constituencies of stakeholders, most often including donors and recipients, governments of developing and developed countries, NGOs from both North and South, international philanthropic foundations, representatives of the private sector, United Nations agencies and the World Bank. Yet in spite of the obvious complexity and challenges of governance through such large and diverse boards, there has been surprisingly little study on

the subject and there is no literature of best practices that has been informed by empirical assessment.

This study is an attempt to address this gap. It does so in three ways. First, it reports findings of direct relevance to governance from comparative reviews of hyper-collective partnerships. Secondly, it reports the results of a meta-review we carried out on the independent evaluations of 11 of the new organizations, having first determined that these included either systematic attention to governance issues and performance or otherwise included informative material on the subject. Finally, drawing from the above two steps, from other studies we have done, and from our experience as senior advisors or participants in evaluations of several of the new partnerships, we suggest a range of conclusions and recommendations in the form of lessons learned to date.

Comparative Studies: Findings on Governance

We found four comparative studies that included governance assessments of hyper-collective partnerships. They are: (i) a 2004 review of 26 of the World Bank's global partnership programmes; (ii) a follow on review by the World Bank of a further 17 global partnerships in 2011; (iii) a 2005 assessment conducted by McKinsey and Company of seven global health partnerships, based on field study in 20 countries; and (iv) a recent (2011) meta-evaluation by Kent Buse and Sonja Tanaka of lessons learned from eight global health partnerships.

1. **The 2004 independent review of World Bank global partnerships:**[5] Based on detailed case studies of 26 of the World Bank's global partnerships, the headline message of this review was that these partnerships had "the potential for major economies of scale and scope in providing country-level services" but that "overall management and governance were…weak". The main indicators of this were:
   - Generally weak evidence that the global partnerships were actually achieving economies of scale – although at the time of the review most of the partnerships may have been too new to be able to do so.
   - A general absence of evidence that the partnerships were adding value to what countries could themselves do or what could be achieved (from the point of view of the World Bank) in working directly through country-level partnerships;
   - The voices of developing countries were inadequately represented;

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[5] World Bank (2004) "Addressing the Challenges of Globalization: An Independent Evaluation of the World Bank's Approach to Partnerships", Washington, D.C.

- Performance indicators and assessments did not measure the value-added of the overall partnership, but were skewed to measuring developing country compliance and performance.
- The performance of the constituency or multi-stakeholder models of governance was generally weak. Governance was struggling to balance legitimacy with efficiency, and transaction costs were exceptionally high, resulting in highly inefficient decision-making.

2. **The World Bank's second independent review of its global partnerships[6]:** This review, a sequel to that above, was conducted seven years later. It provides a synopsis of findings and conclusions from 17 additional in depth reviews of the Bank's Global and Regional Partnership Programs (GRPPs).
   - The evaluation found "virtually all" of the 17 programs "highly relevant" to development needs and that "almost all programs can point to some achievements in terms of outputs". Relative to the earlier 2004 evaluation, this one found evidence of progress in increasing the voices of developing countries in the programs.

   Like its predecessor, however, a main finding in this report was that governance overall was weak and disproportionately engaged in micro-management. The partnerships did not appreciate the distinctive duties, roles and responsibilities of governance (i.e. strategic direction, management oversight, resource mobilization, stakeholder participation, risk management, audit and evaluation) versus those of management (i.e. program implementation, regulatory compliance, reviewing and reporting, administrative efficiency, learning and performance assessment). Other indicators of weaknesses in governance included: (i)-Weak M&E systems to track program outputs and outcomes; (ii)-

   General absence of a "theory of change indicating how… strategies and priority activities were expected to lead to the achievement of their objectives"; and (iii)-

   Accountabilities in many cases "not articulated, understood, or accepted, with negative effects on the performance of the programs."

3. **Assessment of global health partnerships:[7]** Conducted in 2005 by McKinsey and Company for the Bill and Melinda Gates Foundation, this entailed a field study of the performance of seven global health partnerships[8].

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[6] IEG (Independent Evaluation Group). 2011. The World Bank's Involvement in Global and Regional Partnership Programs: An Independent Assessment. Washington, DC: World Bank.

[7] McKinsey and Company (2005) "Global Health Partnerships: Assessing Country Consequences".

The study found that the global partnerships were generally increasing stakeholder participation and "early evidence" of value added in achieving "benefits beyond what individual partners could achieve". But it also described some major strategy and structural problems that could be addressed only through governance action, including that the global partnerships: (i)- were adding to the burdens on countries by failing to provide adequate support; (ii)- increasing overlap and duplication; and (iii)- distorting national sectoral allocations. It also found that members of the partnerships were often unclear about their roles and responsibilities.

4. **"Global Public-Private Health Partnerships: Lessons learned from ten years of experience and evaluation":**[9] The main conclusions of this study by Buse and Tanka, which is based principally on a careful examination of the independent evaluations of eight global health partnerships (GHPs)[10], are: GHPs have made significant contributions to global health; they have major weaknesses, however, in their partnership model and in governance that have reduced effectiveness and resulted in unintended negative consequences. A clear and disturbing pattern of weaknesses and failings in areas entailing principal duties, responsibilities and accountabilities of governance is reported. Of the independent evaluations of the eight organizations:

- Seven had weak strategic planning and/or lacked a strategy to build, manage and gain value-added from partnerships;
- Six had weak partnership performance evaluation frameworks and accountability mechanisms;
- Five had poorly defined roles and responsibilities of partners;
- The Secretariats of five had inadequate financial and human resources in relation to the tasks required. The excessively lean staffing model required by governance came at the cost of operational effectiveness.

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[8] The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM); the Global Alliance for Vaccines and Immunisation (GAVI); the Stop TB Partnership; Roll Back Malaria; the Global Alliance for Improved Nutrition (GAIN); the World Bank's Multi-Country HIV/AIDS Programme (MAP); and the President's Emergency Plan for AIDS Relief (PEPFAR)

[9] Buse, Kent and Sonja Tanaka (2011) "Global Public-Private Health Partnerships: Lessons learned from ten years of experience and evaluation", International Dental Journal, 2011: 61 (Suppl. 2) pp.2-10.

[10] Roll Back Malaria Partnership (RBM), Global Fund to Fight AIDS, Malaria and Tuberculosis (GFATM), International AIDS Vaccine Initiative (IAVI), Global Alliance Vaccine Initiative (GAVI), International Partnership for Microbicides (IPM), Stop TB Partnership (StopTB), Medicines for Malaria Venture (MMV) and Global Alliance for the Elimination of Leprosy.

- Five lacked strategic arrangements to promote and ensure value added from the partnerships;
- Four demonstrated poor transparency in governance and governance decision-making;
- Four had poor mechanisms to ensure long-term financial sustainability of programmes.

Meta-Review of Governance Findings in Independent Evaluations of Eleven Global Partnerships

We undertook an initial scan of 28 global partnership organizations with a view to identifying those for which governance issues had been addressed in independent evaluations and which had multi-stakeholder governance – including at least developing countries and civil society as full members (i.e. not as non-voting observers). This produced a sample of 11 global partnerships, of which five are in international public health[11] -- the area of highest concentration of these partnerships and one from each of Finance, Education, Nutrition, Global Water, Agriculture/Food Security and Urban Development.[12] We now turn to a brief synopsis of the findings on each of these.

Consultative Group for International Agricultural Research (CGIAR)

Initially founded as a donor's club in 1971, the CGIAR underwent a major restructuring in 1995 "to become a 21st century partnership organization" with governance based on multi-stakeholder partnership arrangements.[13]. This included constituency representation by NGOs and the private sector on a new Executive Committee. Seven years later, in 2002, the new arrangements collapsed in rancour and bitterness as the NGO constituency announced that it could no longer work in good faith under the arrangement.

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[11] The Global Fund (for the fight against) AIDS, Tuberculosis and Malaria (GFATM), Global Alliance for Vaccines and Immunization (GAVI), Roll Back Malaria (RBM), International Health Partnership+ (IHP+) and the United Nations Agency on AIDS (UNAIDS).

[12] These are, respectively, CGAP – Consultative Group to Assist the Poor; GPE – Global Partnership for Education; Global Alliance for Improved Nutrition (GAIN); GWP – Global Water partnership; CGIAR – Consultative Group for International Agricultural Research; and Cities Alliance.

[13] CGIAR, Summary of Proceedings, Special Ministerial Meeting, Lucerne, Switzerland, February 9-10, 1995, Opening Statement by CGIAR Chairman Ismael Serageldin.

An independent evaluation[14] was commissioned to report on what had gone wrong and to make recommendations for the future. It reported that:

- The new partnership governance model had been set up essentially as an end in itself on the assumption that major benefits would flow more or less automatically from merely bringing different constituencies to the same table and empowering them with voting rights. There was no strategy for engagement, no clarity on expected value added from different constituencies, no anticipation that different perspectives might lead to conflicts and no mechanisms to address and resolve conflicts should they arise.
- Expectations of the different constituencies that comprised the new partnership were at fundamental variance from the outset and the differences were never addressed. There were differences between CGIAR scientists (who wanted mainly to undertake new research) and NGOs (who wanted more focus on reduction of poverty among small farmers) and the private sector (who wanted not just to be financiers but to be collaborators in research that could have commercial applications). Governance became quite dysfunctional due to increasing and unsustainable levels of frustration, distrust and bitterness.
- The effectiveness of governance was further damaged by increasing divisions between the biological scientist managers of the CGIAR and several donor agencies. The insistence of some CGIAR donors on short-term "impacts" that could be attributed to their investments failed to appreciate the deliberate but uncertain nature of scientific research and the documented high returns to agricultural research that have come through willingness to take risks and be patient.

Four years later, a comprehensive, independent evaluation of the entire CGIAR system found that little had changed and that the CGIAR's partnership-based governance systems and structures were "dysfunctional". Governance had not produced a strategy with a results orientation, clear authorities, or effective decision making, and earlier problems of cultural differences among different constituency partners remained largely unaddressed. The evaluation summarised what needed to be done: "Governance transformation is needed…in a rebalanced partnership to articulate a shared, convincing strategy with a results orientation, clear authorities, and effective decision making."

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[14] Independent Evaluation of the Partnership Committees of the CGIAR: Final Report (April 2004) CGIAR: Washington.

The Global Alliance for Vaccines and Immunization (GAVI)

Founded in 2000, GAVI's initial governance involved a complex arrangement of four separate boards: (i)-The Alliance Board (a constituency-based board to set overall policies and monitor programmes); (ii) the Fund Board (to set overall policies on finance but inevitably touching on policy in general and to monitor finances); (iii) the International Finance Facility for Immunisation (IFFm) Board (to oversee transactions and approve spending); and (iv) the Fund Affiliate Board (to provide the linkages between the Fund Board and the IFFm Board). The intent was evidently to ensure multi-stakeholder inclusiveness through one structure, fiduciary accountability through a second, budgetary control through a third and financial management integration through a fourth.

This model, which proved problematic from the outset, led to the commissioning of an independent review in 2007, which reported that GAVI's governance arrangements:

- Caused confusion about who was responsible for doing what, to whom the parties were accountable and who made decisions;
- Blurred accountability lines;
- Resulted in insufficient scrutiny of (and support for) senior management team performance; and
- Caused significant inefficiencies, as measured in both time and money.

As a result, GAVI moved to a single governing body in 2008. Following debate on the relative merits of a multi-stakeholder constituency board versus an independent executive board, GAVI established a hybrid model. Two-thirds of board membership is constituency-determined and one-third independent membership. The board Chair is also independent.

A 2010 evaluation of GAVI found that the new Board structure had brought about significant improvements, but that its size (28 members) and its dominant constituency character (i) made decision making protracted and bureaucratic; (ii) involved high costs, both direct and in transaction costs; and (iii) produced decisions and positions that can be 'watered down, which reduces effectiveness.'

Also, issues of possible conflicts of interest arose. The World Bank, a constituency member of the GAVI Board, was also a recipient of GAVI funding. Its legal counsel concluded that this comprised a conflict of interest. The bank elected to remain on the Board but no longer receives GAVI funding. This has raised the same issue for UNICEF and WHO, also members of the GAVI Board and recipients of funding.

The Global Fund (for the fight against) AIDS, Tuberculosis and Malaria (GFATM)

GFATM governance is generally regarded as exceptionally inclusive and representative. Its Board comprises 20 voting members (donor and recipient country representatives, representatives of developing and developed country NGOs, the private sector, private foundations and communities living with disease) and eight ex officio non-voting members (mainly representatives of United Nations agencies, including the World Bank). Members are appointed on the basis of the constituencies they represent, rather than their technical or professional expertise. Voting members also have alternates, most of whom attend and speak at board meetings. Typically, therefore, Global Fund board meetings involve almost 50 persons. The Global Fund statutes stipulate two-year terms for the board chair and vice-chair, and that the incumbents must alternate biannually between members of developed and developing countries. The Board is served by several permanent and *ad hoc* Committees that meet three or four times per year.

Global Fund governance is expensive. A 2009 benchmarking study reported the level of governance related staff as two to six times that found in other selected international organizations.

The 2008 independent evaluation reported that GFATM governance had been an important factor in the organization's remarkable success in resource mobilization, but its partnership and constituency-based membership had not added significant value in terms of agreed roles and responsibilities, divisions of labour or durable agreements. The evaluation reported that GFATM governance had focused on micro issues at the expense of longer-term strategy and that it had not addressed the high risk features of the Global Fund business model.

The board of the Global Fund formally accepted the evaluation but did not take action on the governance recommendations. Early in 2011, matters came to a head with audit reports that a few countries had defrauded the Fund of several million dollars. This led to a commissioned "High Level Independent Review Panel on Fiduciary Controls and Oversight Mechanisms". On governance, the language of the Panel report was considerably more direct than that of the 2008 evaluation. It stated that the "Board is not structured to provide efficient, timely governance to this vital institution."[15]. Moreover, it continued

- Board discussions on money are compromised by the presence of recipients who openly lobby for their region or group.

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[15] Op. Cit. page 29.

- Board membership arrangements aimed at ensuring that all partners have an equal say are not conducive to focused attention on strategic issues, nor to timely, professionally informed decision-making.
- The Board's time spent on strategy is limited, which affects its ability to play a leadership role.
- The Board often spends time on selective micro-managing.
- The Finance and Audit Committee lacks technical expertise and fails to respond adequately to reports.

The Global Fund has undergone dramatic and sweeping change under a new strategy and within the Secretariat. This includes a downsizing of roughly 25 percent, deep organizational and structural modifications and the replacement of its Chief Executive.

Global Alliance for Improved Nutrition (GAIN)

Although GAIN's original Board was smaller than that of the Global Fund, it followed the same general pattern. Voting members included 17 constituency representatives from developing countries and governmental donors, foundations and private donors, UN and other multilateral organisations, industry and corporate associations, developing country experts, NGOs and academia. In addition, there were six non-voting members.

An independent assessment in 2009 found that GAIN's multi-stakeholder governance, as in the case of the Global Fund, had not produced durable partnerships with the global organisations represented on the Board. It also reported that the Board was failing in its duties by not addressing serious issues of strategy and financing, including a Secretariat too small to accomplish its assigned functions. The GAIN review found that these problems were structural and could not be rectified under the existing governance arrangements. The main issue was a clear conflict of interest, in that some of GAIN's constituency Board members were in direct competition with GAIN for financial resources from the same sources.

The GAIN review concluded that changes to the basic structure of GAIN governance were imperative and it recommended a board "comprised of shareholders and individuals, selected for their knowledge and expertise, serving in personal capacities … taking into account regional representation, gender and professional capabilities and also reflecting the need for persons on the Board with specialisations in finance, audit, advocacy, communications, biological sciences, and so on".[16]

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[16] Ibid., p.103.

The recommendation was adopted and implemented at the end of 2010. While it will require a further independent evaluation to determine the effectiveness of the change, interviews with the chair of the GAIN Board and Board members report that discussions have become more substantive and business-like and that the overall focus of the board has changed from micro to strategic issues and corporate risk management.

The Global Partnership for Education (GPE) – formerly the Fast Track Initiative (FTI)[17]

Launched in 2002, FTI was initially a multi-donor initiative housed at the World Bank to support basic education. It was initially intended to catalyse aid in support of country-owned programs. Originally, FTI governance included a large annual forum to set strategy, with a small Steering Committee as the main decision-making body. The Steering Committee had rotating co-chairs – one G8 donor and one non-G8 donor. There was ambivalence from the outset as to whether it would be essentially a "donor club" or transform itself into a multi-stakeholder partnership. As the organisation evolved towards the latter, governance issues became an increasing preoccupation. The trust funds that donors created so that FTI could encourage alignment and harmonization created divisions within the governance between the donors, who insisted on control of the funds, and non-donors. Studies in 2005, 2006, 2007 and 2008 drew increasing attention to the tensions as well as to other governance weaknesses including those arising from the rapidly rotating chairs. At the end of 2008, major changes were approved with the aim of improving overall governance by clarifying responsibilities, streamlining and simplifying structures and strengthening Board leadership.

There are two fundamental levels of FTI governance, global and country. The global level includes the full partnership (currently including 46 developing countries and over 30 bilateral, regional and international agencies, development banks, the private sector, teachers, and local and global civil society groups). With the governance reforms, there is a Board of Directors. It is a constituency board of 19 members, with each constituency determining its own selection process, and a full-time independent chair.

At the country level, the Local Education Group (LEG) forms the foundation for FTI's country-level governance. It is headed by the government and includes representation from the Local Donor Group (LDG) and CSOs. It is responsible for implementing its policies and plans, including the coordination of support and the development, monitoring, evaluation and reporting of the education sector plan.

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[17] On 21 September 2011, at the United Nations, FTI's name was officially changed to GPE. As the organization remains better known by its original moniker, we refer to it as FTI throughout this paper.

A comprehensive independent evaluation[18] completed in 2010 confirmed the need to further clarify the relative balance in control between donors and other stakeholders. The expectations for substantial mobilization of additional resources at the country level were inherently unrealistic, given the ways in which most aid agency allocation decisions are made. The evaluation further reported that FTI had neglected its overall objectives of increasing the volume and quality of support for basic education in favour of focusing on its own grants. As with several of the other global partnership organisations reviewed in this study, it found that the organization's weakest link was monitoring and evaluation (M&E), both at country and global levels, and that these were insufficient to indicate its value added. The evaluation also found that while the board had set broad goals and some targets, it had failed to match means to its objectives. Its insistence on "leanness" had left the Secretariat without sufficient staff to make significant efforts to redress problems.

The evaluation also noted that many fundamental reforms had been introduced and that the pace of reforms had been increasing since 2008. Included in these were:

- The Steering Committee became a Board of Directors with complicated constituency arrangement;
- Decision-making power was transferred from the full membership Partnership Meeting to the FTI Board, thereby clarifying the locus of decision-making and facilitating faster and more decisive action;
- The rotating co-chair arrangement had been replaced by a full-time, independent, non-voting chair, chosen through an open recruitment process and holding the position for a three-year period.

Interviews have indicated that other changes, consistent with recommendations made in the evaluation, have since followed. One has been significantly increasing staffing, aimed in part at addressing inadequate attention to quality of programmes at country level. The debate on the pluses and minuses of hosting by the World Bank has continued, with a new study carried out for the GPE board meeting of June 2012[19]. The board agreed at that meeting to retain GPE hosting by the World Bank but to negotiate a series of measures that would give it increased independence while still benefiting from World Bank analytic and operational capacity.

Assessment of the overall governance effectiveness as a result of the overall changes in governance will need to await a future independent assessment.

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[18] Fast Track Initiative (2010), Mid-term evaluation of the EFA Fast Track Initiative, Final Synthesis Report, Volume 1 – Main Report

[19] Evans, Alison , GPE Hosting Review – Options. Report to the GPE (FTI) Board, Overseas Development Institute, June, 2012.

International Health Partnership (IHP) and related initiatives (IHP+)

IHP+ was initially launched in 2007 to respond to concerns that development cooperation in international health was seriously fragmented, resulting in sub-optimal programmes, weaknesses in performance and heavy burdens on developing countries. The basic idea behind IHP+ was to forge a new global partnership for health delivery under the Paris Declaration principles (i.e. country ownership, alignment with national systems, harmonisation between agencies, managing for results and mutual accountability). IHP+ "Country Compacts" are intended to be the main tool for the alignment of all major stakeholders (governments, international donors and civil society) with country owned national health strategies. Accountability for the commitments undertaken in the Compacts is to be assured through transparent, annual reporting. To contribute to this process, the IHP+ developed frameworks of standards, norms and good practices for country strategies and for joint assessments by donors.

The governance structures of IHP+ were designed to function at both country and global levels. At the country level, under the leadership of national ministries of health there are multi-stakeholder teams (typically, the government, civil society, development partners and other key stakeholders). At the global level, all signatories, plus one Southern and one Northern civil society constituency representative, are members of the Scaling Up Reference Group (SuRG). The SuRG was until recently charged with shaping IHP+ directions and activities, making all significant strategy and policy decisions and acting as a forum for mutual accountability. Day-to-day operations are delegated to a very small secretariat.

An external review carried out only one year after IHP+ was launched, expressed concern that donors were not following through on their funding commitments to the IHP+ validated National Health Plans that they had pushed for. The 2009 independent annual assessment complained that few IHP+ partners had fulfilled agreed voluntary reporting requirements and that the data made available indicated that most of the aid still reflected far more individual donor priorities than national strategy priorities.

The independent annual assessment for 2010 reported some improvement, but also that only half of IHP+ signatories had chosen to participate in the accountability and reporting exercise.

The governance of IHP+, as a voluntary entity with highly variable levels of participation and commitment to mutual accountability, has proved to be a major challenge. IHP+ is unusual in not providing any significant financing, (i.e. in not being a vertical fund), while also demanding a fair bit from its members in terms of mutual accountability (however unevenly they respond). Given the lack of financing, it has had some striking success. As of June 2012, 31 developing countries have joined IHP+, along with 13 bilaterals and 11 multilateral organisations and partnerships, as well as the Bill and Melinda Gates Foundation. It is not surprising that, particularly as membership grew, its governance, or lack of governance, through the membership-wide SuRG, proved untenable. In response, an

Executive Team was established and had its first meeting in January 2010. It has 12 members – four international health agencies, three bilateral donors, three developing countries, and two civil society organizations. A review prepared (but not yet made public as of May 2012) on "stock taking for future directions" proposes to address difficulties through a strategic plan for IHP+ itself, involving specified and measurable deliverables at country level over the next two years. The review underscores that this will require all IHP+ signatories to fulfil the commitments made when they joined the initiative. This strategy appears both important and long overdue.

Global Water Partnership (GWP)

Initially launched in 1996 as a tripartite initiative of the World Bank, the United Nations Development Programme (UNDP) and the Swedish International Development Agency (Sida), GWP transformed itself in 2002 into a multi-stakeholder independent intergovernmental organisation. The Stockholm-based Secretariat is modest, consisting of about 18 employees, as is the GWP's budget, at roughly $10 million annually.

The GWP functions entirely as a networked organisation. In 2008, it listed 1,800 partners – consisting of government agencies, public organisations, private companies, professional organisations, multilateral development agencies and others – constituting an interconnected global network of organisations, which have voluntarily grouped themselves into regional-, country- and sub-national-level Water Partnerships.

Governance of the GWP is conducted by a 21 member Steering Committee, including the Chair, consisting typically of four co-sponsors, 12 non-donors elected from different constituencies, two donor observers, five ex officio members and one permanent observer.

A recent independent evaluation concluded that financial and other issues raised questions about the future of the GWP. It also found that "the overly complex partnership governance arrangements reduced accountability (and that)…the range of divergent interests on the Steering Committee made this a very weak body, unable to set strategic directions or oversee management effectively". The "main lessons" listed in the evaluation included pointed reference to governance that "did not appear to have a global framework to identify where the needs were greatest, what levels of support were required, or transparent rules governing regional allocations. The packed agenda of annual meetings did not enable considered debate and decisions, particularly of budgets, and representation from the regions and countries was uneven."[20]

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[20] Ibid., p.xxiv.

The Roll Back Malaria Partnership (RBM)

Restructured in 2006, RMB is a multi-stakeholder global partnership governed by a 26 member Partnership Board (21 voting members representing eight constituencies[21] and five ex officio members.) There is also a ten member Executive Committee: one Board member from each of seven constituencies plus the hosting agency, all with full voting rights.

But an independent evaluation of RMB in 2009 found that the Board had only limited accountability. It stated that "the Board does not have direct accountability for its conduct; (it is only) indirectly accountable … through the accountability requirements of Board members to their organizations."[22] In other words, board members are accountable for the interests of the individual constituencies they represent and only secondarily for the well-being and institutional success of RMB. The evaluation further reported that the RMB Board:

- Was very slow in decision-making and unprepared to make many important policy decisions.
- Did not have the means to link RBM's global action plan to a work plan with clear roles and responsibilities among partners.
- Was not meeting its responsibilities in raising funds for the work plans it approved.

The evaluation found that improvements made following an earlier evaluation in 2002 had helped the RBM Partnership mobilize increased participation of partners and deliver "strong value-added over individual partner efforts." But it further reported that performance continued to be affected negatively by difficulties associated with the WHO administrative and hosting arrangement. These included difficulties in recruiting and contracting due to very lengthy timelines as well as financial processes. An independent evaluation of the Stop TB Partnership,[23] which is also housed at WHO and is under a similar administrative services agreement, came to essentially the same conclusions.

The experience of RMB furnishes a further example of difficulties associated with large constituency-based governance. This is further exacerbated in the case of RMB by its relationship with WHO. While nominally a fully independent organization, the reality of the housing arrangement with WHO has blurred governance accountabilities and compromised the generally accepted accountability norms and standards for governing boards.

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[21]Malaria-endemic countries, bilateral donors and multilateral agencies, the private sector, non-governmental and community-based organizations, foundations and research and academic institutions.

[22] "Independent evaluation of the Roll Back Malaria Partnership, 2004–2008", Dahlberg Global Development Advisors, September 2010, p.28.

[23] McKinsey and Company, "Independent Evaluation of the Stop TB Partnership", 21 April 2008.

The United Nations Program on AIDS (UNAIDS)

Launched in 1996, UNAIDS is the first jointly co-sponsored programme of the UN system. It was established through an ECOSOC resolution to provide leadership on the then exploding AIDS pandemic and to ensure a coherent and aligned response across UN agencies.

ECOSOC itself is mandated to ensure oversight on governance. To do so, it established a multi-stakeholder Programme Coordinating Board (PCB), which consists of representatives of 22 governments from all geographic regions, the ten UN co-sponsoring agencies and five representatives of NGOs, including associations of people living with HIV. Like the Global Fund, the UNAIDS Board is exceptionally large, consisting of about 40 members. Unlike most other multi-stakeholder boards, however, the non-governmental board members of UNAIDS are not voting members. This has proved to be a highly contentious issue that has produced claims of non-inclusiveness, accusations of bad faith and claims of inter-sessional decision-making that exclude civil society "voice" and undermine its contribution.

There have been two independent evaluations of UNAIDS: the first in 2002[24] and the second in 2009[25], both of which underscored major shortcomings in governance. For example, the first concluded explicitly that governance was "particularly weak and ineffective". It found few concrete incentives to improve coherence and bring about collaboration, and the Unified Budget and Workplans (the agency's principal strategic instrument) were "mostly poor documents that fail to identify needs and a joint response, and appear to be little more than repackaging of agency programmes."

The second evaluation found that a strategic reorientation towards more country support, introduced in 2004, had been positive and had resulted in a much improved focus of efforts. UNAIDS, it reported, "remains highly relevant" with demonstrated success in advocacy and broad-based political and social mobilisation. On governance, however, it reported that: there had been "no improvements in the way the co-sponsors work together and with the Secretariat'; overall governance responsibility of ECOSOC was "ineffective and current arrangements leave a gap in accountability"; and a coherent resources plan to provide the technical support required for program delivery remained absent.

Taken together the two evaluations point to serious shortcomings in governance. While the evaluations confirm the high continuing value of UNAIDS, they also indicate little progress on inter-agency alignment and programming coherence, the principal purpose for which UNAIDS was established. In fundamental respects, the members of the very large, multi-

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[24] UNAIDS, "Five-Year Evaluation of UNAIDS, Final Report", 8 October 2002.
[25] UNAIDS, "UNAIDS Second Independent Evaluation, 2002–2008, Final Report", December 2009.

stakeholder PCB do not seem to have succeeded in the collective action for which UNAIDS was established ahead of presumed interests of their own agencies.

Cities Alliance (CA)

Established in 2001, CA is a 24-member coalition of bilateral and multilateral development agencies, governments, NGOs, international associations and local authorities. It works as a catalyst, not a financing agency, for urban development, with particular attention to slums and poverty reduction. Its annual budget is a relatively modest $10–15 million, approximately one-third of which is earmarked funding.

Its governance with a Consultative Group (CG), comprising all financial contributors, and an Executive Committee (ExCom), an eight-member body, which is a sub-set of the CG, is tasked to provide regular oversight and guidance to the Secretariat. The Secretariat is housed at the World Bank.

Since its inception in 2001, there have been three independent evaluations (2004[26] and 2006[27] and April, 2012[28]) and an independent review by the World Bank (2007). Those of 2004 and 2006, plus the World Bank review, came to the identical conclusion that there were major weaknesses in performance measurement and inadequate systems to determine whether the CA was adding value. These, of course, are primary responsibilities of governance. The Bank review found that this was to a significant extent a result of insufficient resources; it pointed to the fact that the CA Secretariat had fewer staff per technical assistance activity than the World Bank. Other governance issues raised in the earlier three evaluations included:

- Location within and structural arrangements with the World Bank had led to a lack of clarity in the roles and responsibilities of governance, including in the governance oversight role of the Secretariat and a need to improve Secretariat accountability (2006 evaluation and World Bank 2007 review);
- In addition, there are "potential conflicts of interest that arise from [CA's] relationship with the Bank…. the manager of the Secretariat has a direct reporting relationship to the Bank's Director of Finance". (World Bank 2007 review).

During 2010-2011, the CA introduced a range of reforms to its overall model, aimed at improving the organization's work, strengthening the capacities and resource levels of the Secretariat, increasing ownership of its programs by cities, focusing strategically on more

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[26] Cities Alliance, "The Cities Alliance, First Independent Evaluation", Washington, D.C. December 2004.

[27] Universalia Development Group, "The Cities Alliance, Second Independent Evaluation", October 2006.

[28] Cities Alliance, Independent Evaluation of the Cities Alliance: Final Report, COWI, April, 2012.

long term support, leveraging investments and improving overall governance. The 2012 evaluation reported that, while the reforms were very recent and there had not yet been many specific results, "the reform process has strengthened both the CA's work and the organization". It judged that the reformed "government and management structures and processes established in the new charter are well articulated and work well towards bringing about legitimate and effective governance and management". Finally, with regard to concerns raised in earlier evaluations about CA's relationship with the Bank, this evaluation concluded that there was "no obvious alternative" and moreover that the relationship furnished "a unique opportunity to exert influence on the WB".

The 2012 evaluation, like its predecessors, also pointed to continuing weakness in performance measurement, and its priority recommendations included elaboration of a clear and concise strategic results framework and the development of a monitoring and evaluation framework.

Consultative Group to Assist the Poor (CGAP)

CGAP is less multi-stakeholder than the other organisations examined in this review. Established in 1995 and housed in the World Bank, it is a consortium of public and private financing agencies (bilateral and multilateral development agencies, regional development banks, private foundations, development financial institutions and financial industry representatives). Its mission is to expand financial services for poor people, and it is supported by about 30 development agencies and foundations.

Its governance consists of three bodies: (i) the Council of Governors, which is the principal governing body made up of all CGAP members; (ii) the Executive Committee of nine appointed by the Council that functions as the Board of CGAP. Its members are mainly technical specialists in finance (four representing different member constituencies, four independent (not members of CGAP) members drawn from the broader microfinance industry and serving in their personal capacities; and one representing the World Bank. The Director/CEO of CGAP, who is appointed by the World Bank, is also an ex officio member; and (iii) the Investment Committee, which is the fiduciary oversight body, comprising 11 members who are highly specialised in international finance (e.g. principal economists, rural finance specialists and investment managers).

An external evaluation, conducted in 2006–2007,[29] concluded that in general the governance of CGAP is both efficient and effective. This conclusion was strongly supported by the

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[29] "CGAP Phase III Mid-Term Evaluation (July 2003–June 2006)", March 2007, conducted by a group of private consultants (core team: Klaus Maurer, Sarah Foster, Michael Mithika; and for Francophone Africa Christine Poursat).

World Bank's own independent review of 2008. It reported that the CGAP governance structure had gained strong legitimacy arising from the effective participation of almost all major stakeholders (service providers, microfinance institutions, networks, donors and other financiers); succeeded in generating positive public-private synergies; and provided sound strategic, policy and operational guidance to CGAP. The Bank's evaluation further concluded that there was clear evidence that the CGAP was demonstrating value added over mainstream banks and development finance institutions in tackling financial exclusion.

The key to these achievements would seem to be the solidly technical and professional membership character of its Executive and Investment Committees. The evaluation contrasts this with the composition of CGAP's larger membership (i.e. its Council of Governors), noting that "more than half (of that membership) are generalists who do not have the prerequisites to govern microfinance or financial systems development" and that, apparently recognizing this, the Council as a governing body rightly exercises a "relatively passive role".

The governance of CGAP obviously differs substantially from that of most other hyper-collective partnerships examined in this study. In CGAP, strategy and policy decision-making and the exercise of fiduciary responsibilities are largely delegated by its larger multi-stakeholder body to small groups whose members are mainly technical and professional specialists. The extent to which the evaluations of CGAP found this to have resulted in good and effective governance is noteworthy and suggestive of a lesson that might well apply beneficially to other multi-stakeholder partnerships. Another interesting aspect of CGAP governance is 'the dog that didn't bark' – the relative lack of friction within the multi-stakeholder partnership over the role of the World Bank as host, a role stronger than that in the FTI and the Cities Alliance, where it has been more controversial.

Lessons Learned from Multi-stakeholder Partnerships and their Governance

The picture that emerges from the above reviews is of quite young organizations that are essentially works in progress, many of which are making changes to compensate for initial design problems. The evaluations generally confirm that the new partnerships have been contributing to development. But most of them also underscore a range of similar problems and weaknesses in the arrangements for and in discharge of primary responsibilities of governance. These include: ensuring that there are appropriate strategies with realistic and attainable goals; that adequate resources are available for those strategies; that accountability systems are in place for the measurement and evaluation of performance and progress; that decision-making is efficient and to good effect; that roles and responsibilities are clear and well understood; and that the partnerships themselves are purposeful and predicated on clearly understood mutual accountabilities.

Building from this review and supplemented by other studies conducted by the authors and our experience as advisers to several partnerships, we suggest nine principal lessons learned that we hope will contribute to the accumulation of good practice in the design and governance of global multi-stakeholder partnerships for development. These are:

1. **Think twice: (i)-first, before launching a new global fund or other global partnership; (ii)- second, before agreeing to establish a new organization to house that partnership; (iii)- third, before establishing its governance.** Even in the face of public pressure, strengthened global action does not necessarily require a new global initiative or new global vertical fund. Even if following serious analysis a new initiative is deemed appropriate, this does not equate to a need to create a new organization. The first task of governance is to be sure that a new organization is required before it is created; this is a lesson too often overlooked. In the past decade, the great majority of additional funding for health has been through new vertical funds focused principally on specific diseases or interventions, such as vaccination. Important as these are, the record shows that their unintended consequences have included a neglect of broader health objectives and systems. In addition, because the arrival of the new vertical funds was not accompanied by mergers, closures or acquisitions of existing organizations, they also contributed to a greater fragmentation of an already highly fragmented organizational framework. Thus, before setting up a new organization, a rigorous landscape analysis should be undertaken of relevant, extant 'aid architecture'. This should include what to do with existing organizations that have not met reasonable performance expectations or whose relevance has been overtaken by new developments or other organizations. 'Clean up' should be a defining principle. The outcome document of the recent Fourth High Level Meeting on Aid Effectiveness (the 'Busan Partnership Agreement') commits to these points. It states: "We will make effective use of existing multilateral channels, focusing on those that are performing well. We will work to reduce the proliferation of these channels and will, by the end of 2012, agree on principles and guidelines to guide our joint efforts."[30] The challenge lies in whether this commitment will be honored or honored mainly in the breach.

   Think twice also before establishing the governance structure. Once governance structures are established, experience shows that it is very difficult to change them. The protracted struggle for changes in voting rights among shareholders in the World Bank is a case in point. Change is that much harder in constituency-based governance of multi-stakeholder partnerships. For example, CSOs or international organizations that are both board members and grantees are unlikely to be willing to give up their seats. The case studies here have shown that change is far from

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[30] 'Busan Partnership Agreement', Fourth High Level Meeting on Aid Effectiveness, 2011

impossible, but it comes at a high cost, both of the change itself and of the opportunity cost of prior inefficiency and reduced effectiveness. So, it is crucial to think carefully and get governance as right as possible the first time around.

2. **Anticipate and recognize the need to deal with asymmetries of power, different perspectives and often conflicting interests.** This is key to effectiveness of the partnerships. Many of the independent evaluations examined in this study showed that constituency-determined governing boards were established implicitly as ends in themselves and with no conceptual clarity on the expectations or requirements from the different constituencies or stakeholders. In some cases, the evaluations also pointed to explicit conflicts of interest. One major issue is the influence that donors have, relative to other stakeholders, through the power of the purse-string. There are also issues of inconsistency of incentives and views even among or within the agencies of individual donor countries.[31] For example, the interests and incentives of the sector-specific ministries or agencies representing some donors in multi-stakeholder boards may be quite different from those of their aid agencies, especially on issues of aid effectiveness and on priorities.

Also, in some cases, extreme distrust and hostility towards any private sector interests – confusing divergent interests with lack of any common interest and ignoring the need for private sector cooperation -- has produced unrepresentative and under-performing partnerships. Buse and Tanaka found, for example, that global health partnerships were generally unrealistic in their approaches with the private sector by failing to recognize its need for a "value proposition" – i.e. to make profits. The CGIAR similarly failed to recognize and address the divergent interests of both the private sector and NGOs. Unless confronted directly and resolved with integrity and realism through governance leadership, asymmetries in the structures and operations of multi-stakeholder partnerships and their boards generally produce strikingly sub-optimal results.

A major lesson that emerges clearly from the 11 organizations studied is that effective partnerships and effective partnerships on boards don't just happen; they need to be carefully planned and guided by specific partnership strategies. 'Inclusiveness' and 'participation' have been pursued too much as goals in themselves rather than as means to ends. This has tended to divert attention away from the painstaking detail required for successful partnerships – including clarity on the rationale for inclusion and the specific value-added expectations for each party to a partnership and specification of their roles, responsibilities, accountabilities and the division of tasks. One of the most important areas for clarification is that between the board (especially its chair) and the chief executive

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[31] See Isenman, Paul and A. Shakow, Donor Schizophrenia and Aid Effectiveness: the Role of Global Funds, IDS Practice Paper 5, 2010.

officer or equivalent. This requires establishing a careful balance in the roles of the board between accountability and setting strategy on the one hand and empowering and supporting, particularly its chief executive and secretariat, on the other. The evaluation of the Global Fund provides a good example of how not to do it – with governance deeply involved in micro-management and not accepting its own responsibility for the negative results and unintended consequences of policies and business models it had enthusiastically proposed and adopted. Overall, there should also be a continuous focus on key governance questions, particularly "how will this contribute to achieving the partnership's objectives?"

3. **Assure through the governance structure that the aid effectiveness principles of the Paris Declaration are built into the DNA of existing or new initiatives.** The Paris Declaration (2005), complemented by its sequels, the Accra Agenda for Action (2008), and the Busan Partnership Document (2011), provide widely agreed principles of aid effectiveness that should be built – or retrofitted – by governance structures into the business models of all global partnerships that provide or promote delivery of substantial services at country level.[32] These principles are about the process of providing and receiving aid, not about what development seeks to achieve. On their own, they are neither a panacea nor sufficient for aid effectiveness. But they represent the most ambitious and serious framework available to increase its effectiveness by addressing the problems of fragmentation of development architecture and by bringing greater coherence into international development efforts. And the principles they stipulate (country ownership, alignment of donor support behind national programs, harmonization of donor effort in order to reduce fragmentation and high transaction costs, managing for results, and mutual accountability between donors and countries) are in essence the agreed norms of good governance in development cooperation. Part of the difficulty in integrating Paris principles into global partnerships has come from the view that they should be different from established aid agencies, which, not surprisingly, has disinclined them from adopting the principles that have emerged from the experience of those agencies. These difficulties are exacerbated in cases where board members have significant experience in the specific mandate of the partnership but little in aid or broader development effectiveness.

Experience confirms the common-sense observation that it is far easier to build aid effectiveness principles into institutional governance and business models (modalities) at the start than to work to retrofit them after the fact, when vested interests have been established. This is well illustrated by the differences in

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[32] The Paris principles apply to the delivery – or promotion of the delivery – of services at country level. They do not necessarily apply to normative or research functions. For example, in the case of the CGIAR, they would not apply to its scientific research but should inform its efforts at dissemination at country level.

experience in integrating Paris principles between the FTI, which built in evolving Paris principles from the start, and the GFATM. The latter faced considerable pushback from some stakeholder groups on its board which were determined that GFATM should not do things the way established aid agencies did, including with regard to early application of the Paris principles.

4. **The first imperative for the board of a new organization is to establish a clear strategy with realistic and attainable objectives and to include as integral components of the strategy: (i)-the baseline against which the value-added of the new organization will be measured; and (ii)-a rigorous and adequately resourced M&E system to track and report on progress.** One of the most consistent findings across the 11 global partnerships we reviewed and the eight reviewed by Buse and Tanaka is that this imperative was almost never met and, in fact, was seriously neglected in most cases. New organizations were typically launched with enthusiasm and admonitions for immediate action and rapid scale up. In many cases, this crowded out attention to the first duty – the imperative of sound strategies with realistic timeframes and the alignment of means to ends. In other cases, documents claiming to be strategies or strategic plans were produced, but these were in reality little more than statements of high aspirations and noble goals – not genuine or realistic strategies.
An equally consistent related finding was that attention had not been accorded to establishing credible baselines against which to measure progress and to determine the value-added of the new organization. The basic rationale given at the time of the founding of all the new multi-stakeholder partnership organizations was that existing institutional arrangements were inadequate and that this required the establishment of entirely new organizations. In other words, the new organizations would add net value over existing arrangements. Empirical demonstration of the net added value depends on establishment of a baseline to allow for before and after measurement and to track progress. Typically, this was not done for new multi-stakeholder partnerships and, as evidenced in many of the independent evaluations, this resulted in reputational and credibility problems for the new organizations.

And in most cases, weak or absent M&E systems were found to be a defining characteristic of at least the early years of most of the multi-stakeholder partnerships. Yet such systems are regarded not only as an established 'best practice' for governance, but as essential for effective governance and the indispensable foundation for continuous learning and improvement. A key focus of M&E systems, should be the reliable measurement and aggregation of global outcomes and impacts. Disappointingly, as we have seen in this review, such systems are all too often absent or are prepared only long after what would be required for good governance and the avoidance of costly error.

5. **Multi-stakeholder and constituency-based boards often require costly trade-offs between inclusiveness and effectiveness.** The literature of development is

replete with illustrations of failure as a direct consequence of inadequate inclusion. But the evaluations of multi-stakeholder and constituency-based boards show that efforts to achieve inclusiveness have most often resulted in very large, unwieldy boards or, initially in some cases, in multiple boards. The size, combined with the large number and extent of different interests, often impacted negatively on effectiveness. Not only did the CGIAR attempt to achieve inclusiveness by bringing into its governance divergent cultures damage effectiveness, it generated hostility, bitterness and acrimony. Inclusiveness, as we have seen, also runs the risk of establishing real or perceived conflicts of interest in governance. As a general rule, transaction costs and barriers to timely and effective decision-making seem to increase in proportion to the size and stakeholder diversity of governing boards.

Constituency-based multi-stakeholder boards (i.e. boards whose members are appointed by different constituencies and who serve as representatives of those constituencies) pose additional problems. In addition to inclusion of different stakeholders as members of boards, the rationale usually offered for constituency governance is that it encourages broad consultation and buy-in beyond the board per se. However, constituency boards face real problems. A key one is the flip side of the coin of their advantages – the tendencies of constituency-based boards to put the interest of their constituencies over those of the organization. This is particularly the case where there are potential conflicts of interest, where board members are closely linked to, and sometimes a part of, organizations receiving grants or otherwise directly benefiting from board decisions. Constituency boards also confront problems of efficiency and difficulties in reaching timely decisions, especially because board members are generally not empowered to take decisions without broad consultation and specific authorization from their home organization. These weaknesses contributed to their inability to deal effectively with core issues of strategy, policy and accountability. Instead, they tend to retreat to a less challenging, but generally counter-productive, role – that of micro-management. While there are a few cases, primarily in the International Financial Institutions, where the members of constituency-based boards have developed a strong sense of identification with the organization that exceeds their constituency interests, these are all too rare exceptions.

For these reasons, constituency boards should be avoided where feasible. In situations where their benefits are judged greater than their costs, a judicious balance should be struck between constituency and non-constituency membership – with the latter chosen solely for their capacity and commitment to advance the purposes of the partnership. Appointments to boards should generally follow rigorous processes that take into account the specific skills, experience, specializations and expertise required by boards and, for the most part, board membership should be on a personal capacity, non-transferrable basis. This principle applies even more strongly in the case of chairs of boards, who should represent – and be seen to represent - the mission of the partnership rather than a constituency within it.

6. **Secretariats need to be adequately resourced.** Without sufficient personnel and adequate and predictable funding, secretariats struggle to perform and spend much of their time in search of funding. The governance of many global partnerships insists on the principle of "leanness". This can be a good thing. Numerous studies and reviews of international organizations have drawn attention to inefficiencies, wasteful bureaucratic processes and superfluous levels of staffing. But the conclusion in many of the evaluations reviewed in this study is that leanness has often been treated as an end in itself. Its application by boards has tended to be more as a matter of principle than as evidence-based, which is neither empirically sound nor consistent with the standards of effective governance. Inadequate resourcing is a particular problem at early stages, where it slows initial progress and so reduces the partnership's credibility.

7. **There are no simple answers to the question of hosting vs. independent arrangements.** A new organization being hosted by an existing one almost inevitably leads to strains, in part from rigidities imposed by rules and policies of hosting organization, in part from increasing desire by the hosted organization for autonomy over time.[33] On the other hand, complete independence at the start has high costs in terms of financing and time, particularly before a new partnership establishes its sustainability. Transition to independent arrangements inevitably entails a temporary reduction in efficiency. The benefits and costs of moving major functions from a hosting organization change over time, with the maturity and capacity of the new organization. They should be evaluated closely and require careful planning. Situations will differ between essentially administrative arrangements (such as UNICEF's initial hosting of GAVI) and arrangements that are programmatic as well (such as FTI or Cities Alliance with the World Bank).

8. **In addition to the above, the independent assessments reviewed in this study identified a number of other established good governance practices that should be applied to the governing boards of global partnerships.** These include the importance of risk management as a shared responsibility of boards and management – but one where boards have ultimate responsibility. Boards need to assume the responsibility for risk management, including its assessment, mitigation, and steps to be taken to respond to problems that emerge – rather than blaming management and disavowing responsibility. Also included should be transparency in decision-making and performance reporting; clear systems of accountability; a culture of commitment, collaboration, learning, and accepting responsibility; published annual performance targets for boards; collective and individual

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[33] See "World Bank Involvement in Global and Regional Partnership Programs", World Bank, 2011, and Evans ibid.

objectives and work plans for board members and 360-degree annual appraisals; and periodic external and independent reviews of governance. As we have seen, many of these fundamental requirements for good governance have been lacking in global partnerships.

9. **Finally, and importantly, the current architecture of international development is not really an "architecture".** The modern system of international development involves an under-coordinated and fragmented series of organizations and delivery channels where the whole is often less than the sum of its parts. Fifty years ago, a relatively small number of organizations – primarily bilateral and UN agencies and International Financial Institutions -- comprised the organizational arrangements of the international development system. Today that system is made up of countless actors – bilateral, multilateral, non-governmental, private and hybrid – characterized by overlapping functions, duplication and a confused or non-existent division of labor. And the number and diversity of actors keeps growing, while the number of phase-outs or mergers of organizations remains just above the zero mark. The needs of development merit much better.